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FLOOR DEBATE

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community of Enron going south to Texas. ConAgra said to the city of Omaha and to the state of Nebraska, look, we've found places to go and do business cheaper than Nebraska and we'll do it if you don't make some changes. The business community and the executive branch got together and they essentially wrote LB 775, along with some legislative participation here. The Revenue Committee helped in this drafting. We were part of the process. Now, frankly, it was given to us and we responded to it, but, oh, believe me, we had a hand in it. It was designed to create major tax incentives to keep businesses here who were thinking of leaving, and to attract people to come here. We broke the system into three parts. First, if you invested \$3 million and you established 30 employees in a project, that qualified. Secondly, if you invested \$10 million and had 100 workers, that qualified. And, then, because Goodyear was not going to hire any new employees but they were thinking of rechanging some of their belts machinery in Lincoln, we added a third tier, and that was if you invested \$20 million but added no new workers, you'd qualify. What would you get? You'd get a five percent wage credit against your corporate income tax for paying wages. So you get a five percent wage credit. You got a sales tax exemption for all of the machinery or purchases that you made for the project that you had. In the event you couldn't use your wage credit, you could then use a sales tax exemption for purchases that were not for the project but were for other parts of your business. And for those who were doing 10 and 100, 10 million and 100 million dollars, there was also a personal property exemption for ag processing, airplanes, and mainframe computers. So you got sales tax credit. You got income tax credit. And if you were big enough, you got personal property tax credit. This was designed to keep us active, bringing in people, and maintaining up to what we thought at the time was going to be 12 or 15 companies in this state. I sat on the Revenue Committee at the time. The executive branch said to us at that point, look, we think this bill will get used 12 or 15 times. It's been used hundreds of times, in part because we placed the thresholds and the credits, I think, too low. Because what we've done with LB 775 is that we have rewarded doing business as usual, not in the exceptional but in the usual. If you pick up this piece that's being handed out to you, I'll show you a little bit about how LB 775 works, and what